

1999 SENATE AGRICULTURE
SB 2353

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2353

Senate Agriculture Committee

Conference Committee

Hearing Date 1/28/99

Tape Number	Side A	Side B	Meter #
1	X		5-4525
2/11 2		X	1016-1228
2/12 1	X		811-1790
Committee Clerk Signature <i>Tricia Ferguson</i>			

Minutes:

Senator Wanzek called the meeting to order. Roll call was taken, all were present.

Senator Wanzek opened the hearing on SB 2353.

Senator Tallackson introduced the bill. Testimony enclosed.

Harold Newman, chairman of the Board of Alchem Limited in Grafton, spoke in support.

Ethanol was never promoted right. Thinks it is time to move forward. The requirement of 1 inch ethanol label on pumps hurts the business. Would like to let the pump producers put their own labels on the pump to let the consumers know that ethanol is good. Need to create a demand. If we need to put a label on there let's put a label that says there is benzene in the gas, sulfur, lead, and all the other ingredients.

Senator Klein: Under the current law we are required to just put a little strip saying ethanol added.

Harold Newman: Yes.

Senator Klein: We can't currently use those 1 inch letters.

Harold Newman: Yes, we could.

Senator Urlacher: Is there a level of mixture that has a negative effect.

Harold Newman: We have E85 which is 85% alcohol 15% gasoline. That's a long process.

Cars have to conform to this.

Senator Sand: What impact on price of barley and corn.

Harold Newman: Price of corn went up 6.5 cents.

Senator Wanzek: Is corn most economic or are other crops feasible?

Harold Newman: We were going to use potatoes but we could never get rid of affluent.

Switched to corn and it worked, price went up so we switched to barley and used some wheat.

Senator Wanzek: Where do you market the byproducts for feed?

Harold Newman: Most of it goes to Idaho, west coast by rail.

Bill Delmore from Alchem spoke in favor of bill. Handed out letter which is enclosed.

John Bollingberg a farmer from Wells county spoke in support of the bill. Think it is an advantage to know what is in the tank. Ethanol environmentally sound.

Senator Mathern: Do all 50 states use ethanol and if so how many of them actually have labeling.

Harold Newman: Generally speaking 20 state area in the Midwest using ethanol.

Larry Haisley from the Twin City Marine spoke in opposition of SB 2353. Testimony enclosed.

Senator Sand: Last page, it doesn't say ethanol will do these bad things it says it may do that and when it uses may it's included the other things you have included here.

Larry Haisley: What it is doing is warning of the potential.

Senator Sand: Would I not have a problem if gas in my tank evaporated?

Larry Haisley: Yes.

Senator Klein: Doesn't it offer the consumer the opportunity to not use if he doesn't want to?

Larry Haisley: Yes.

Senator Klein: You as a boat owner would know that and you wouldn't go back.

Larry Haisley: Yes that's true.

Senator Kroepflin: In Minnesota all fuels are blended. There must be a way that they make it work.

Larry Haisley: I don't have any data from Minnesota, but we have a concern that the consumer has a right to know what is in the fuel you are buying.

Joseph Dirk testified in opposition of the bill. Doesn't know what it wrong with labeling, why not advertise what is in the gas. Consumers are entitled to know what they are buying.

Lowell Ridgeway spoke in opposition of the bill. Testimony enclosed.

Ron Ness, President of the ND Petroleum Marketers, spoke in opposition of the bill. Customers want to know what is going into their tanks.

Senator Wanzek: Neither side wants to keep consumers in the dark, is there some way we can work something out.

Ron Ness: I did not see the signs but we support efforts to advertise as safe fuel.

Senator Sand: Nothing to prevent people from putting sign on is there?

Ron Ness: It would be voluntary.

Senator Klein: If I was running a station I would want to keep it on, I don't want customers to come back angry.

Ron Ness: Exactly, that's why we want it.

Senator Mutch spoke in opposition to the bill. He said he doesn't see any problem with the way things are and he doesn't see a need for any change.

Francis Schwindt from the Department of Health spoke neither in favor or in opposition.

Responsible for this particular program. Might accommodate some things administratively as far as labeling is concerned.

Senator Wanzek closed the hearing on SB 2353.

FEBRUARY 11, 1999

Discussion was held.

FEBRUARY 12, 1999

Senator Klein asked Ron Ness to explain amendments that were handed out. They would support bill with amendments.

Senator Klein: Leaves label somewhere on pumps but allows to make it more attractive.

Ron Ness: Yes.

Senator Urlacher: They have been prohibited until now?

Ron Ness: No, I don't think so but the label has been made to look like a warning.

Francis Schwindt from the Health Department spoke.

Bill Delmore added that it would start to use positive aspect of ethanol.

Senator Klein made the motion for a Do Pass on Amendments.

Senator Sand seconded.

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Motion passed.

Senator Sand made the motion for a Do Pass as Amended.

Senator Klein seconded.

ROLL CALL: 7 Yes, 0 No

CARRIER: Senator Sand

X

Date: 2/12

Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2353

Senate Agriculture Committee

- Subcommittee on _____
- or
- Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Amendments

Motion Made By Klein Seconded By Sandel

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2/12
Roll Call Vote #: 2

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2353

Senate Agriculture Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Sand Seconded By Klein

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Senator Sand

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2353: Agriculture Committee (Sen. Wanzek, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2353 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "repeal" with "amend and reenact"

Page 1, line 4, replace "**REPEAL**" with "**AMENDMENT**"

Page 1, line 5, replace "repealed." with "amended and reenacted as follows:

19-10-03.1. Retail sale of alcohol-blended gasoline - Notice required. No dealer may sell at retail alcohol-blended gasoline unless the dispensing unit and any price advertising bear the name of the alcohol blended with the gasoline if the alcohol-blended gasoline consists of one percent or more by volume of any alcohol. The disclosure must be in letters at least the same size as those used for the label of the basic grade of gasoline and must be next to the gasoline grade label. A producer of alcohol-blended gasoline may provide a retailer with a label promoting the benefits of alcohol-blended gasoline, if the label at least meets the requirements of this section.

Renumber accordingly

1999 HOUSE AGRICULTURE

SB 2353

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2353

House Agriculture Committee

Conference Committee

Hearing Date 3-5-99

Tape Number	Side A	Side B	Meter #
One HB 2353	x		0 to 10
One HB 2353 3-12-99	x		37.0 to 46.0
Committee Clerk Signature <i>Arlin Hanson</i>			

Minutes:

Summary of bill: Relating to Alcohol-blended gasoline sale notices.

Sen Tallackson: Basically what this bill does is allows retailers to put a notice on their pumps telling the public what their gas is blended with and how it can help produce better results when they use it in their vehicles. Ethanol is produced from crops and products that we grow in this state and anything we can do to promote the usage of this product is a plus for the farmers of this state. When we first started producing Ethanol blended gas a label was placed on the pump as sort of a warning that it was an alcohol blended gas. Now we know its a benefit to the user so lets tell them about it.

Rep Warner: Why the difference in the original bill and the engrossed bill?

Sen Tallackson:

Rep Mueller: Does it require that we promote this on all pumps or is it optional?

Sen Tallackson: This makes it optional.

Rep Nowatzki: Under the original bill it would have repealed any labeling at the pump, the amendments allow it to be optional.

Bill Delmore: Kelsh law firm. Before the labeling was used as a warning, but as a result of a compromise reached a consumer may use a positive label to promote the product.

Rep Renner: What % of gasoline being sold in ND is blended gas?

Bill Delmore: I can't give you an exact figure but I do know its no where near what they sell in Minnesota.

Harold Newman: Grafton Pres of EL Ethanol Plant in Grafton. 45 people employed in plant.

We do support the bill, it represents a compromise, It takes 50,000 acres of corn to produce 10,000 gals of Ethanol last year. In our plant in Grafton we used 25 % of the electricity used in Grafton area this past year. We have been somewhat derelict in our promotion of the Ethanol product. We spent about \$180,000 in the city of Grafton and surrounding area. 30% of the Ethanol we produce is used in North Dakota awhile 60% of it is used in South Dakota We are promoting Agriculture when we promote the use of Ethanol, a valu added product, in ND. We want to get that use of Ethanol gas up from 15% in ND to the same or higher then some other States, SD 35%, Minn almost 90%.

Rep Nowatzki: We currently subsidize Ethanol at the producer level, if we were really expand and build what would be the best way to do it.

Harold Newman: If you build a \$52 million plant in Neb, the State of Neb writes out a check for \$26 million. 50% of it. Minn if you build a plant the same size as Neb the State of Minn will pay you \$10 million for ten years or \$30 million. The subsidizes in ND in the house version is

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House Agriculture Committee
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\$750,000 and the Senate is considering amending it to \$1.1 million. That's the level the industry has had in the past years.

Rep Berg: What you would like to do is replace the 10% ethanol sign with your sign.

Harold Newman: That's right.

Rep Herbel: Is that sign copy righted?

Motion by Rep Mueller for a DO PASS second by Rep Koppang motion prevailed.

Vote total YES 12 NO 0 ABSENT 3 CARRIER REP HERBEL

Date: 3-5-99
Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2353

House AGRICULTURE Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Mueller Second By Koppang

Representatives	Yes	No	Representatives	Yes	No
Eugene Nicholas, Chaiman	✓		Bob Stefanowicz	✓	
Dennis E. Johnson, Vice Chm	✓				
Thomas T. Brusegaard	✓				
Earl Rennerfeldt	✓				
Chet Pollert	✓				
Dennis J. Renner	✓				
Michael D. Brandenburg	✓				
Gil Herbel	✓				
Rick Berg	✓				
Myron Koppang	✓				
John M. Warner	✓				
Rod Froelich					
Robert E. Nowatzki	✓				
Phillip Mueller	✓				

Total (Yes) 12 No 0

Absent 3

Floor Assignment Herbel

1999 TESTIMONY

SB 2353

Chairman Senator Wangel & members Senate ag Comm
SB 2353 is a bill to repeal the requirement
that Ethanol be labeled in N.D.

Labeling laws for ethanol were initially passed in the 1970s when "gasohol" was beginning to be sold across the country. Much of that "gasohol" contained methanol, which is harmful to automotive engines in many ways, and caused some automotive problems, even in North Dakota. Since then, the federal government has virtually eliminated the blending of methanol, and now the only alcohol that can realistically be blended with gasoline is ethanol, because it is completely safe to use in any engine.

As such, states have reevaluated the need to require that ethanol be labeled. For instance, North Dakota's neighbor to the east, Minnesota, has dropped its ethanol labeling requirement. Ethanol labeling is now voluntary in Minnesota. That is what SB 2353 would do in North Dakota. It would not prohibit petroleum marketers from labeling ethanol, it would just give them flexibility based on their operating needs.

All automakers that sell vehicles in the United States cover ethanol blends under warranty, as do the vast majority of small engine manufacturers. Many years and many miles have shown that ethanol is not dangerous, it is not harmful, and labeling ethanol as a safety precaution is no longer needed. In fact, the labeling of ethanol can have a negative affect because requiring that ethanol be labeled implies that it is the gas station's and the government's way of warning consumer about something that could be harmful. This in turn leads people to not purchase a product that is produced right here in North Dakota and helps North Dakota's ag economy.

In Minnesota, there is an oxygenated fuel law in effect that has essentially required all fuel in the state to contain ethanol, and they have had no problems at all - once again proving the safety of the ethanol.

We urge you to let the petroleum marketers determine how they want to market ethanol-blended fuel. We believe they will continue to label it in most cases because a certain percentage of their customers look for it, but to those petroleum marketers that want to review its marketing on a month by month basis and use ethanol based on how it meets their needs, this will give them more flexibility. With this bill, they won't have to put labels on their pumps one month and take them off another.

In truth if we were to label competitive Gasoline I would show the poisons involved in the additives they use - Toluene, Benzene & others I can't pronounce but are dangerous to breath and clean air. If we want to label ethanol why not show the public what's in ordinary Lead free Gasoline and its octane enhancement.



NORTH DAKOTA PETROLEUM COUNCIL

A DIVISION OF THE AMERICAN PETROLEUM INSTITUTE
and the
ROCKY MOUNTAIN OIL AND GAS ASSOCIATION

LOWELL J. "RED" RIDGEWAY
EXECUTIVE DIRECTOR

MARSHA REIMNITZ
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120 N. 3RD STREET • SUITE 225
P.O. BOX 1395
BISMARCK, ND 58502-1395

Opposition to SB-2353

The North Dakota Petroleum Council supports state legislation/regulation that requires labeling of motor fuel components which can adversely affect vehicle performance or warranty coverage. Accordingly, the Petroleum Council **supports** the mandatory disclosure through labels on dispensers of fuels containing at least one percent by volume of ethanol or methanol. Since there are no similar warranty or performance considerations with respect to ethers, the Petroleum Council **opposes** legislation/regulation requiring the labeling of ethers, such as MTBE and ETBE.

While all domestic (though not all foreign) automakers now extend warranty coverage on new cars to "properly blended" gasoline-ethanol blends, the owner's manual of many older cars recommends against their use. While more recent car owner's manuals are less restrictive, drivers of the many older cars still on the road need to know if the fuels they are buying contain alcohol. And even many new car owner's manuals include cautionary language suggesting that car owners switch to a non-blended fuel if they experience driveability or other performance problems using fuels containing alcohol. Since there are no similar performance or handling considerations for gasoline containing MTBE, most owner's manuals state that MTBE use is acceptable within limits approved by EPA. MTBE is considered essentially similar to gasoline and should not adversely affect vehicle operation.

Alcohol blends are generally not recommended for non-automotive fuel uses such as marine engines, piston engine aircraft, chain saws, lawn mowers, small tractors, and so forth. Even in cases where alcohol blends are allowed, recommendations usually include cautions that fuel systems should be inspected for leaks and deterioration after their use.

Since MTBE is chosen from a pool of octane enhancers depending on economics, supply and performance characteristics the amount of MTBE contained in gasoline changes significantly by refinery batch. Mandatory labeling would require frequent pump label changes since it is not uncommon for a refiner's gasoline to contain MTBE in one week and not contain MTBE the next week. Because of commingling in product pipeline shipments, MTBE is ubiquitous throughout the entire gasoline distribution system in varying amounts within the limits of EPA regulations.

DAKOTA FINS, FEATHERS AND TAILS
JAMES L. NAGEL - 1312 WESTWOOD ST.
BISMARCK, ND 58504
TEL. (701) 222-1620
CELLULAR 226-6525
FAX. (701) 223-8779

1-28-'99

"Members of the Senate Agricultural Committee":

This written testimony is furnished by
James L. Nagel - Lobbyist for the N.D.
Guides & outfitters association & Lobbyist for
the N.D. Sportfishing Congress.

Larry Haisley - manager of Twin City
Marine has agreed to present this testimony
in my behalf today as I have a conflict
& need to appear before the Senate
Natural Resources committee on another
bill also scheduled at 9:00 AM on 1-28-'99.

Attached is printed information from
service bulletins from the manufacturers
of outboard motors which states that
some serious problems can occur in
outboard motors when using alcohol
blended gasolines.

DAKOTA FINS, FEATHERS AND TAILS
JAMES L. NAGEL - 1312 WESTWOOD ST.
BISMARCK, ND 58504
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FAX. (701) 223-8779

We the owners of outboard motors must have a choice & the only way we can have a choice is to retain the alcohol-blended gasoline labeling requirements at the gasoline pumps.

Therefore, I would encourage you the members of the Committee to hear our concerns & vote no on S.B.# 2353 which would repeal the alcohol labeling requirements.

Thank you,

James L. Nagel
Lobbyist - Registration # 468

WARNING

Fire and Explosion Hazard: Fuel leakage from any part of the fuel system can be a fire and explosion hazard which can cause serious bodily injury or death. Careful periodic inspection of the entire fuel system is mandatory, particularly after storage. All fuel system components including fuel tanks (whether plastic, metal or fiberglass), fuel lines, primer bulbs, fittings, fuel filters and carburetors should be inspected for leakage, softening, hardening, swelling or corrosion. Any sign of leakage or deterioration requires replacement before further engine operation.

Because of possible adverse effects of alcohol in gasoline, it is recommended that only alcohol-free gasoline be used where possible. If only fuel containing alcohol is available, or if the presence of alcohol is unknown, increased inspection frequency for leaks and abnormalities is required.

WARNING

Avoid gasoline fire or explosion. Improper installation of brass fittings or plugs into fuel pump or fuel filter base can crack casting and/or cause a fuel leak.

IMPORTANT: When operating a MerCruiser engine on gasoline containing alcohol, storage of gasoline in the fuel tank for long periods should be avoided. Long periods of storage, common to boats, create unique problems. In cars, alcohol-blend fuels normally are consumed before they can absorb enough moisture to cause trouble, but boats often sit idle long enough for phase separation to take place. In addition, internal corrosion may take place during storage if alcohol has washed protective oil films from internal components.

GASOLINE/ALCOHOL BLENDS

Many new motor vehicle owner manuals are warning about the potential damage from using gasoline containing alcohol, especially METHANOL. They cite possible fuel system damage and performance problems. These are just two of the hazards that may be caused by alcohol. These same problems as well as the additional safety risk of fire and explosion from fuel system leaks apply to marine inboard engines. METHANOL is more severe in its bad effect than is ETHANOL. Alcohol is also more severe in older engines since newer engines have materials which are more resistant to alcohol.

EFFECTS OF GASOLINE/ALCOHOL BLENDS ON MARINE ENGINES

Corrosion of metals may result from use of alcohol-gasoline blends. Portable or permanently installed fuel tanks of metal or fiberglass, fuel filters, fuel lines and float bowls may be affected by alcohol blended fuels. Many fiberglass fuel tanks are slowly dissolved by alcohol, leading immediately to filter and carburetor plugging and eventually to tank failure.

Fuels containing alcohol will absorb moisture from the air. At first, this moisture will remain in solution, but once the water content of the fuel has built up to about one-half of one percent, it will separate out (phase separation), bringing the alcohol with it. This alcohol-water mixture settles to the bottom of the fuel tank and if this mixture gets into the engine, the engine can be seriously damaged internally, as it may wash the protective film of oil off the bore of any cylinder that it enters. Before the engine can be restarted, it is necessary to remove the separated alcohol and water layer, flush out the fuel system with clean fuel and remove and dry the spark plugs.

BOAT/MOTOR STORAGE

When operating a MerCruiser engine on gasoline containing alcohol, storage of gasoline in the fuel tank for long periods of time should be avoided.

Long periods of storage, common to boats, create unique problems. In cars, gasoline/alcohol blend fuels normally are consumed before they can absorb enough moisture to cause trouble, but boats often sit idle long enough for phase separation to take place. In addition, internal corrosion may take place during storage if alcohol has washed protective oil films from internal components.

WINTER STORAGE

If boat is to be placed in winter storage, carburetors must be run dry at idle RPM. Permanent fuel tanks should be drained completely and Quicksilver Gasoline Stabilizer and Conditioner added to any fuel remaining in the tank. Portable fuel tanks should be emptied completely.

WARRANTY

Performance problems and fuel system or other damage resulting from the use of gasoline-alcohol blended fuels are not the responsibility of MerCruiser and will not be covered under our warranty.

All Models

20-Hour Break-In Period

IMPORTANT: The first 20 hours of operation is the engine break-in period. Correct break-in is essential to obtain minimum oil consumption and maximum engine performance. During this break-in period, the following rules must be observed:

- Do not operate below 1500 RPM for extended periods of time for first 10 hours. Shift into gear as soon as possible after starting and advance throttle above 1500 RPM if conditions permit safe operation.
- Do not operate at one speed consistently for extended periods.
- Do not exceed 3/4 throttle during first 10 hours. During next 10 hours, occasional operation at full throttle is permissible (5 minutes at a time maximum).
- Avoid full throttle acceleration from idle speed.
- Do not operate at full throttle until engine reaches normal operating temperature.
- Frequently check crankcase oil level. Add oil if needed. It is normal for oil consumption to be high during break-in period.
- After 20-hour break-in period, drain crankcase oil and replace oil filter (see "Maintenance"). Fill crankcase with correct oil (see "Specifications").

After Break-In Period

- Use a propeller that allows the engine to operate at or near the top of the maximum RPM range (see Specifications section) when at full throttle with a normal boat load.
- Operation at 3/4 throttle setting or lower is recommended. Refrain from prolonged operation at maximum (full throttle) RPM.
- Deterioration of elastomer and plastic parts.
- Fuel permeation through flexible fuel lines.
- Wear and damage of internal engine parts.
- Starting and operating difficulties.

Some of these adverse effects are due to the tendency of gasolines containing alcohol to absorb moisture from the air, resulting in a phase of water and alcohol separating from the gasoline in the fuel tank.

Fuel, Oil, Fluid, and Coolant Specifications

Fuel

CAUTION

Use of improper gasoline can damage the engine seriously. Engine damage that results from use of improper gasoline is considered misuse of the engine and is not covered under MerCruiser Warranty.

USA and Canada

Fuel having a posted pump Octane Rating of 87 (R + M)/2 minimum. Premium gasoline [92 (R + M)/2] is also acceptable. DO NOT use leaded gasoline.

Outside USA and Canada

Fuel having a posted pump Octane Rating of 92 RON minimum. Premium gasoline (98 RON) is also acceptable. If unleaded is not available, use a major brand of leaded gasoline.

Gasolines containing alcohol, either methyl alcohol (methanol) or ethyl alcohol (ethanol) may cause increased:

- Corrosion of metal parts.
- Deterioration of elastomer and plastic parts.
- Fuel permeation through flexible fuel lines.
- Wear and damage of internal engine parts.
- Starting and operating difficulties.

Some of these adverse effects are due to the tendency of gasolines containing alcohol to absorb moisture from the air, resulting in a phase of water and alcohol separating from the gasoline in the fuel tank.

The adverse effects of alcohol are more severe with methyl alcohol (methanol) and are worse with increasing alcohol content.



AMERICAN
COALITION
FOR ETHANOL

3321 E. 26th Street #4
P.O.Box 85102
Sioux Falls, South Dakota 57104
www.ethanol.org

January 25, 1999

Senator Terry Wanzek
North Dakota Senate
600 East Boulevard
Bismarck, ND 58505

Dear Senator Wanzek:

Greetings. I am writing to ask your support for SB 2353, a bill to repeal the requirement that ethanol be labeled in North Dakota.

Labeling laws for ethanol were initially passed in the 1970s when "gasohol" was beginning to be sold across the country. Much of that "gasohol" contained methanol, which is harmful to automotive engines in many ways, and caused some automotive problems, even in North Dakota. Since then, the federal government has virtually eliminated the blending of methanol, and now the only alcohol that can realistically be blended with gasoline is ethanol, because it is completely safe to use in any engine.

As such, states have reevaluated the need to require that ethanol be labeled. For instance, North Dakota's neighbor to the east, Minnesota, has dropped its ethanol labeling requirement. Ethanol labeling is now voluntary in Minnesota. That is what SB 2353 would do in North Dakota. It would not prohibit petroleum marketers from labeling ethanol, it would just give them flexibility based on their operating needs.

I recently talked with a petroleum marketer from Pennsylvania, and he indicated that they had no requirement to label ethanol in that state. It seems ironic that they are comfortable with ethanol's safety and use in that state, which is in large part very urban, than we tend to be here in the Midwest, where ethanol is actually produced.

All automakers that sell vehicles in the United States cover ethanol blends under warranty, as do the vast majority of small engine manufacturers. Many years and many miles have shown that ethanol is not dangerous, it is not harmful, and labeling ethanol as a safety precaution is no longer needed. In fact, the labeling of ethanol can have a negative affect because requiring that ethanol be labeled implies that it is the gas station's and the government's way of warning consumer about something that could be harmful. This in turn leads people to not purchase a product that is produced right here in North Dakota and helps North Dakota's ag economy.



Phone: (605) 334-3381 • Fax: (605) 334-3389 • E-Mail: ACEthanol@aol.com



We urge you to let the petroleum marketers determine how they want to market ethanol-blended fuel. We believe they will continue to label it in most cases because a certain percentage of their customers look for it, but to those petroleum marketers that want to review its marketing on a month by month basis and use ethanol based on how it meets their needs, this will give them more flexibility. With this bill, they won't have to put labels on their pumps one month and take them off another.

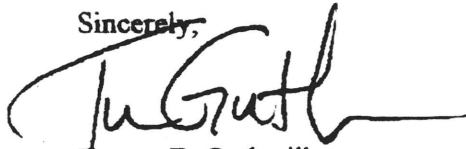
Attached is a sheet that shows the warranty statements of some of the major automakers. As you can see they all conclude that it is okay, and in most cases, even beneficial to use ethanol blended gasoline. Also attached is a sheet that describes how most small engine manufacturers refer to ethanol in their owners manual. As you can see, all either allow for the use of ethanol, or make no mention of it. None recommend against it.

In Minnesota, there is an oxygenated fuel law in effect that has essentially required all fuel in the state to contain ethanol, and they have had no problems at all - once again proving the safety of the ethanol.

This law does not prevent fuel marketers from labeling ethanol, and it does not limit the ability of someone to ask the gas station operator if there is ethanol in any of his pumps.

Ethanol is safe, dependable and meets governmental and automotive standards. Let's stop discriminating against ethanol by requiring gas stations to label it, thereby creating the illusion that it may be dangerous. Now is the time do all we can to support agriculture. We ask you support for SB 2353 which will stop the discriminatory labeling of ethanol and make it voluntary.

Sincerely,



Trevor T. Guthmiller
Executive Director

and will affect automobile fuel systems differently (see Chapters 2 and 3).

This section is provided as an easy reference to answer questions consumers may have on the

automaker's position on alcohol blends and other fuel components. Additional information concerning GM's position on ethanol and oxygenated fuels is included for your reference.

General Motors Corporation (1991)

What about gasoline with blending materials that contain oxygen, such as MTBE or alcohol?

- MTBE is methyl tertiary butyl ether. Fuel that is no more than 15% MTBE is fine for your vehicle.
- Ethanol is ethyl or grain alcohol. Properly blended fuel that is no more than 10% ethanol is fine for your vehicle.
- Methanol is methyl or wood alcohol.

NOTICE: Fuel that is more than 5% methanol is bad for your vehicle. Don't use it. It can corrode metal parts in your fuel system and also damage plastic and rubber parts. That damage wouldn't be covered under your warranty. And even at 5% or less, there must be cosolvents and corrosion preventers in this fuel to help avoid these problems.

Gasoline for Cleaner Air

If you use gasoline with detergent additives, it will help prevent deposits from forming in your engine. That helps keep your engine in tune and your emission control system working properly. It's good for your vehicle, and you'll be doing your part for cleaner air.

If you use gasoline with blending materials that contain oxygen, such as MTBE or alcohol, you can also help clean the air. This is especially true in those parts of the country that have higher carbon monoxide and ozone levels.

Where you can, we hope you'll want to use gasolines with detergent additives and blending materials with oxygen.

Supplemental Information: GM Position Statement on Use of 15% MTBE Blends:

Use of 15 Percent MTBE in General Motors 1989 and Earlier Model Vehicles.

In August of 1988, the U.S. Environmental Protection Agency approved the use of methyl tertiary-butyl ether (MTBE) in gasolines at concentrations of 15 percent or less. Prior to that time, the legal limit was 11 percent; General Motors owner's manuals stated that the use of gasolines containing 11 percent or less MTBE should not adversely affect the operation of the vehicle and would be covered by the New Vehicle and Emission Control System Warranties. The use of 15 percent MTBE in gasoline should also not adversely affect the operation of the 1989 and earlier model vehicles and therefore would not void any warranties covering those vehicles. In the interest of contributing to cleaner air, General Motors recommends that all model year vehicles use such fuels whenever available. The 1990 and future owner's manuals will reflect this position.

Chrysler Corporation/Jeep Eagle (1991)

In addition to using unleaded gasoline with the proper octane rating, gasolines that contain detergents, corrosion and stability additives are recommended. Using gasolines that have these additives will help improve fuel economy, reduce emissions, and maintain vehicle performance. Generally, premium unleaded gasolines contain more additive than regular unleaded.

Poor quality gasoline can cause problems such as hard starting, stalling, and stumble. If you experience these problems, try another brand of gasoline before considering service for the vehicle.

Gasoline/Oxygenate Blends

Some fuel suppliers blend gasoline with materials that contain oxygen such as alcohol and MTBE. The type and amount of oxygenate used in the blend is important.

The following are generally used in gasoline blends.

Ethanol-(Ethyl or Grain Alcohol) properly blended, is used as a mixture of 10% ethanol and 90% gasoline. Gasoline blended with ethanol may be used in your vehicle.

Methanol-(Methyl or Wood Alcohol) is used in a variety of concentrations when blended with unleaded gasoline. You may find fuels containing 3% or more methanol along with other alcohols called cosolvents.

Do not use gasoline containing Methanol.

Use of methanol/gasoline blends may result in starting and driveability problems and damage critical fuel system components. Problems that are the result of using methanol/gasoline blends are not the responsibility of Chrysler Motors and may not be covered by the new vehicle warranty.

Clean Air Gasoline

In some areas of the country where carbon monoxide levels are high, gasolines are being treated with oxygenated materials such as MTBE and ethanol. Chrysler Motors supports these efforts toward cleaner air. You can help by using these blends as they become available.

Materials Added to Fuel

Indiscriminate use of fuel system cleaning agents should be avoided. Many of these materials intended for gum and varnish removal may contain active solvents of similar ingredients that can be harmful to gasket and diaphragm materials used in fuel system component parts.

Ford Motor Company (1990)

Choosing a gas with detergents helps protect your vehicle's fuel injectors from becoming dirty and clogged. To find out if a gas has detergents, look for advertising that the gasoline company does to promote its detergent gasolines or look for signs posted near the pumps at the gas station.

However, not all detergent gasolines are advertised as having detergents and not all gas stations post signs that direct you to their detergent gasolines. If you are not sure whether a gas has detergents, ask your service station attendant.

You may buy fuels that are composed of gasoline blended with compounds containing oxygen, such as ethanol (grain alcohol), methanol (wood alcohol), or MTBE (Methyl Tertiary Butyl Ether). In fact, in certain areas, the law requires that all gasolines have an oxygen-containing compound.

Your vehicle should operate normally if you use blends that contain no more than 10% ethanol, such as gasohol, or if you use blends that contain no more than 5% methanol with its necessary cosolvents and additives. If the methanol does not contain the necessary cosolvents and additives, it will damage your vehicle. Your vehicle should operate properly on blends that contain MTBE.

If you are not sure whether the gas you want to buy is oxygen containing, check for a label on the pump or ask the station attendant. Make sure that the oxygen containing blends that you use are UNLEADED and have the minimum specified octane rating of 87.

Stop using a blend that contains alcohol if it causes problems with the fuel system or if your vehicle does not drive normally. Switch to straight non-blended gas, if available, or to a fuel that is blended with MTBE if non-blended gasolines are not available.

lines, are gasoline blended with alcohols or ethers. Excessive amounts of these blends can damage the fuel system or cause performance problems. Do not use gasoline which contains Methanol. If any undesirable operating symptoms occur, use gasoline with a lower percentage of alcohol or ether.

• **Echo**

(Power blowers S/N 186001 & up)

Unbranded 89 octane R + M/2 unleaded gasoline or gasohol (maximum 10% ethyl alcohol, no methyl alcohol).

• **Harley Davidson**

- Gasolines containing METHYL TERTIARY BUTYL ETHER (MTBE): Gasoline/MTBE blends are a mixture of gasoline and as much as 15% MTBE. Gasoline/MTBE blends can be used in your motorcycle.
- ETHANOL (grain alcohol) is a mixture of 10% ethanol and 90% unleaded gasoline. It is identified as "gasohol", "ethanol enhanced", or "contains ethanol". Gasoline/ethanol blends can be used in your motorcycle.
- REFORMULATED OR OXYGENATED GASOLINES (RFG): "Reformulated gasoline" is a term used to describe gasoline blends that are specifically designed to burn cleaner than other types of gasoline, leaving fewer "tailpipe" emissions. They are also formulated to evaporate less when you are filling your tank. Reformulated gasolines use additives to "oxygenate" the gas. Your motorcycle will run normally using this type of gas and Harley-Davidson recommends you use it when possible, as an aid to cleaner air in our environment.

• **Honda**

ETHANOL (ethyl or grain alcohol) 10% by Volume
You may use gasoline containing up to 10% ethanol by volume. Gasoline containing ethanol may be marketed under the name "Gasohol".

MTBE (Methyl Tertiary Butyl Ether) 15% by Volume
You may use gasoline containing up to 15% MTBE by volume.

• **Kawasaki**

Fuels Containing Oxygenates
Gasoline frequently contains oxygenates (alcohols and ethers) especially in areas of the U.S. and Canada which are required to sell such reformulated fuels as part of a strategy to reduce exhaust emissions.

The types and volume of fuel oxygenates approved for use in unleaded gasoline by the U.S. Environmental Protection Agency include a broad range of alcohols and ethers but only two components have seen any significant level of commercial use.

Gasoline/Alcohol Blends-Gasoline containing up to 10% ethanol (alcohol produced from agricultural products such as corn), also known as "gasohol" is approved for use.

Gasoline/Ether Blends-The most common ether is methyl tertiary butyl ether (MTBE). You may use gasoline containing up to 15% MTBE.

NOTE

Other oxygenates approved for use in unleaded gasoline include TAME (up to 16.7%) and ETBE (up to 17.2%). Fuel containing these oxygenates can also be used in your Kawasaki.

• **Kohler Company**

Gasoline/Alcohol blends

Gasohol (up to 10% ethyl alcohol, 90% unleaded gasoline by volume) is approved as a fuel for Kohler engines. Other gasoline/alcohol blends are not approved.

Gasoline/Ether blends

Methyl Tertiary Butyl Ether (MTBE) and unleaded gasoline blends (up to a maximum of 15% MTBE by volume) are approved as a fuel for Kohler engines. Other gasoline/ ether blends are not approved.

• **Mercury Marine**

Mercury Marine has issued bulletins on RFG and oxygenated fuels as follows:

Mercury Outboards/Mariner Outboards Service Bulletin No. 95-5 excerpts:

By controlling some "properties" of the fuel more closely, its toxic effects are reduced. This should be beneficial to outboard engines because it will be a cleaner burning fuel containing fewer deposit forming components. Vapor pressure and the evaporation rate at any given temperature of this fuel is closely controlled. This again should help engines because it will make the fuel more consistent.

The ethanol or the ethers used in these new reformulated gasolines are not something new. Both have been around several years. If you follow the information that has been put out into the field by Mercury Marine, other marine engine manufacturers and the automotive industry over the last few years concerning the use of fuels containing alcohol, problems should be kept at a minimum.

Mercury Marine Products

Mercury Marine products produced since 1980 are designed to be used with any commercially available regular grade lead free gasoline, including those containing oxygenates. The oxygenated fuels containing less energy cause the engine to run leaner. If for any reason an engine has been modified to lean out the fuel supply, or if the engine has not been tuned up recently there may be cause for concern. The results of running too lean can lead to detonation related problems or scuffed pistons.

ANY MAJOR BRAND OF UNLEADED (LEAD FREE) AUTOMOTIVE GASOLINE WITH A MINIMUM PUMP POSTED OCTANE RATING (R+M)/2 OF 87 IS SATISFACTORY FOR THESE OUTBOARDS. Outboards may use gasoline containing up to 10% ethanol, but the addition of a Quicksilver

NDCC, 19-10-03.1

TEXT

NORTH DAKOTA CENTURY CODE
TITLE 19. FOODS, DRUGS, OILS, AND COMPOUNDS
CHAPTER 19-10. PETROLEUM PRODUCTS

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Current through End of 1997 Reg. Sess.

19-10-03.1 Retail sale of alcohol-blended gasoline -- Notice required.

No dealer may sell at retail alcohol-blended gasoline unless the dispensing unit and any price advertising bear the name of the alcohol blended with the gasoline, if the alcohol-blended gasoline consists of one percent or more by volume of any alcohol. The disclosure must be in letters at least the same size as those used for the label of the basic grade of gasoline and must be next to the gasoline grade label.

CREDIT

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Source: S.L. 1985, ch. 263, § 1; 1987, ch. 267, § 1.

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Source: S.L. 1923, ch. 223, § 2; 1925 Supp., § 3080a2; S.L. 1939, ch. 148, § 6; R.C. 1943, § 19-1002; S.L. 1981, ch. 336, § 14.

19-10-03. Sale of adulterated and misbranded gasoline, kerosene, tractor fuel, heating oil, diesel fuel, or lubricating oil prohibited. No person may sell or offer or expose for sale any kerosene, gasoline, or other petroleum product intended to be used as kerosene or gasoline, or any tractor fuel, heating oil, diesel fuel, or lubricating oil which is adulterated or misbranded.

Source: S.L. 1923, ch. 223, § 3; 1925 Supp., § 3080a3; S.L. 1933, ch. 165, § 1; 1939, ch. 148, § 1; R.C. 1943, § 19-1003; S.L. 1977, ch. 197, § 2. **Cross-References.** Sale of gasoline, regulations for handling and dispensing, see § 23-13-02.

19-10-03.1. Retail sale of alcohol-blended gasoline — Notice required. No dealer may sell at retail alcohol-blended gasoline unless the dispensing unit and any price advertising bear the name of the alcohol blended with the gasoline if the alcohol-blended gasoline consists of one percent or more by volume of any alcohol. The disclosure must be in letters at least the same size as those used for the label of the basic grade of gasoline and must be next to the gasoline grade label.

Source: S.L. 1985, ch. 263, § 1; 1987, ch. 267, § 1.

19-10-04. Labeling gasoline containers — Gasoline pipeline. Every package, barrel, filling station pump, and every tank wagon, truck, or car containing gasoline for sale or consignment or held with intent to sell or consign the same within this state or to transport it into this state must be clearly and distinctly stamped, labeled, or tagged with the word "gasoline". Every oil station pipeline for gasoline must be painted red. The fittings upon such lines, however, may be painted other colors to designate grades. Pipelines for gasoline must be entirely separate from lines for kerosene or for any other high flash product. Every can, bucket, barrel, or other container of less than sixty gallons [227.12 liters] capacity used for storage or delivery of gasoline, benzine, or benzine products, unless the same is made of glass, must be painted bright red, and such containers may not be used for the storage or delivery of kerosene. In the case of glass containers, the contents must be designated by a red label securely pasted on or attached to the containers bearing the name of the product.

Source: S.L. 1923, ch. 223, § 4; 1925 Supp., § 3080a4; S.L. 1935, ch. 147, § 1; R.C. 1943, § 19-1004; S.L. 1953, ch. 154, § 1; 1957 Supp., § 19-1004.